long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue. Operationally, RBI has initiated steps to strengthen the supervisory apparatus involving both off site and on site surveillance of NBFCs and a greater emphasis on asceretaining asset quality.

Capital Account Convertibility

716. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the press report with the caption "convertibility can wait" which appeared in the Economic Times dated June 2, 1997;

(b) if so, the reaction of Government thereto;

(c) whether the currency price fluctuations are largely influenced by the forex price movement in international market where US dollar 1.2 trillion is traded daily;

(d) if so, whether Indian economy is strong enough to overcome these vagaries if there is capital account convertibility;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, Sir. An article entitled "convertibility can wait", written by Shri D.R. Pendse appeared in the Economic Times on June 2, 1997. The article is in response to the Report of the Committee on Capital Account Convertibility. The suggestions of various individuals and associations are kept in view by the government while formulating appropriate economic policies.

(c) to (f) Based on an assessment of macro-economic conditions, the Committee is of the considered view that the time now is opportune to initiate a move towards capital account convertibility. The Committee, however, recognises that the initial conditions do contain certain weaknesses and the entrenchment of pre-conditions can be achieved in the Indian context only over a period of time. The establishment of the pre-conditions need to be viewed as processes rather than as one time indicators. The Committee, therefore, recommended that the implementation of capital account convertibility be spread over a three year period 1997-78 to 1999-2000.

Dearness Allowance Instalment

717. SHRI MOHINDAR SINGH KALYAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that another instalment of Dearness Allowance has become due for payment to the Central Government Employees with effect from 1st, July, 1997;

(b) if so, the details thereof; and

(c) by when orders will be issued by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Dearness Allowance to Central Government Employees is revised twice a year from 1st January and 1st July payable with the salary for the months of March and September respectively. The decision regarding another instalment of Dearness Allowance effective from 1.7.1997 will be taken well before it is payable in September, 1997.

Lack of Infrastructural Facilities in Income Tax Department

718. SHRI JAYANT KUMAR MALHOUTRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that senior officers of Income Tax Department have complained of lack of infrastructural facilities stating that the ambitious plan of increased revenue mobilisation may not take off if Government's attitude towards tax-collectors does not change;

(b) if so, the details thereof; and

(c) the steps taken or proposed to be taken to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) A proposal for further

strengthening the existing infrastructural facilities in the Department is under consideration of the Government.

Decline in Remittances of Indian Workers in Gulf

719. SHRIMATI JAYANTI PATNAIK: Will the Minister FINANCE be pleased to state:

(a) whether there has been a sharp reduction in the remittances from Indian workers in the Gulf during last three years, year-wise;

(b) if so, the reasons therefor; and

(c) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Data on remittances from Indian workers in the Gulf are not available. However, Balance of payments data indicate that total private receipts, a substantial part of which is constituted by remittances from Indian workers in the Gulf, have risen sharply in recent years, as indicated below:—

Year	Total Private Transfers (in US$ million)
1990-91	2,083
1991-92	3,798
1992-93	2,784
1993-94	3,617
1994-95	6,012
1995-96	6,590

Steps to Protect Investors in NBFCs

720. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) the steps contemplated by Government to protect the small investors from the malpractices of unscrupulous non-banking finance companies; and

(b) whether certain non-banking finance companies are under watch by Government after the recent CRB debacle and the names thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India Act, for regulating Non-Banking Finance Companies (NBFCs) which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity and solvency of NBFCs and are expected to go a long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue. Operationally, RBI has initiated steps to strengthen the supervisory apparatus involving both off site and on site surveillance of NBFCs and a greater emphasis on ascertaining asset quality.

Companies with total assest of Rs. 50 crore and above would be inspected every year, other companies with assets more than Rs. 5 crore once in two years while the remaining would normally be supervised through offsite surveillance.

Shortage of Coins and Currency of various Denominations

721. SHRI K.M. SAIFULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that there is a shortage of coins of various denominations as also of currency notes of the denominations of Rs. 20/- and Rs. 50/- and the steps taken to remove this shortage; and

(b) whether it is proposed to introduce currency note of the denomination of Rs. 1000/- also?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Governmnt are aware that there is a general shortage of coins and currency notes in the country. With a view to improving